

FILED  
U.S. DISTRICT COURT DISTRICT CO  
FILED  
MAR 10 PM 5:22 MAR 10 PM 5:  
IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLORADO

Criminal Case No.

**04 - CR - 103KB**

GREGORY C. LANGHAM  
CLERK  
GREGORY C. LANGHAM  
CLERK

UNITED STATES OF AMERICA,

BY \_\_\_\_\_ DEP. CLK \_\_\_\_\_ DEP

Plaintiff,

v.

1. NORMAN SCHMIDT
2. GEORGE ALAN WEED
3. PETER A.W. MOSS
4. CHARLES LEWIS
5. JANNICE McLAIN SCHMIDT
6. MICHAEL SMITH
7. GEORGE BEROS

Defendants.

---

**INDICTMENT**

Title 18, United States Code, Section 371  
Title 18, United States Code, Section 1341  
Title 18, United States Code, Section 1343  
Title 15, United States Code, Sections 77q(a) and 77x  
Title 18, United States Code, Section 1956(a)(1)(B)(i)  
Title 18, United States Code, Section 1957  
Title 18, United States Code, Section 2  
Title 18, United States Code, Sections 981, 982, 956, 1961  
Title 28, United States Code, Section 2461

---

The Grand Jury charges that:

**COUNT 1**

**Conspiracy - 18 U.S.C. § 371**

1. Beginning in about April, 1999, and continuing thereafter until about April, 2003, in the State and District of Colorado, and elsewhere, the defendants, **NORMAN SCHMIDT, GEORGE ALAN WEED, PETER A.W. MOSS, CHARLES LEWIS, JANNICE McLAIN SCHMIDT, MICHAEL SMITH** and **GEORGE BEROS**, combined, conspired, confederated and agreed together and with others known and unknown to the Grand Jury, to commit Mail Fraud, in violation of Title 18, United States Code, Section 1341; Wire Fraud, in violation of Title 18, United States Code, Section 1343; and Securities Fraud, in violation of Title 15, United States Code. Sections 77q(a)(1) and 77x.
2. Over the duration of the conspiracy, the defendants obtained in excess of fifty million dollars from more than 1,000 investors residing throughout the United States and in some foreign countries.

#### **MANNER AND MEANS OF THE CONSPIRACY**

3. The defendants made and caused to be made false statements and representations about the nature of a fraudulent high-yield investment program and the high returns associated with it, including but not limited to the following:
  - a. The defendants falsely promised to use current and prospective investors' money to trade medium term notes, bank debentures and government instruments through mechanisms frequently referred to as "high-yield investment programs." The defendants also falsely promised, suggested, or

caused to be promised or suggested rates of return ranging from 2% to 400% per month.

- b. The defendants sent and caused to be sent to investors monthly statements which falsely reflected the growth of and earnings on their invested funds. These monthly statements reassured investors of the program's success and encouraged them to make additional investments and defer disbursements from their accounts for the supposed purpose of compounding earnings.
4. The defendants made and caused to be made false statements and representations about the lack of risk involved with investing money in the fraudulent high-yield investment program, including but not limited to the following:
- a. The defendants falsely represented or caused to be represented to current and prospective investors that their investments were safe because invested funds were deposited in a "non-depletion" account or trust account and could not be moved.
  - b. The defendants falsely represented or caused to be represented to current and prospective investors that their investments were insured from loss by various insurance companies or programs, including St. Paul insurance companies, Lloyds of London, and Securities Investors Protection Corporation or SIPC. The defendants provided and caused to be provided to current and prospective investors copies of insurance certificates,

policies, and bonds. The defendants falsely represented that such documents insured the safety of their investments and granted current and prospective investors rights in the insurance policies and bonds.

- c. The defendants reassured and caused others to reassure current and prospective investors of the safety of the fraudulent high-yield investment program by using misleading and false legal opinion letters concerning the status of insurance for investors. The defendants caused these letters to be disseminated by others to current and prospective investors.

- 5. The defendants used a variety of tactics to lend an appearance of legitimacy to the fraudulent high-yield investment program, including but not limited to the following:

- a. The defendants obtained, created, used and distributed or caused to be distributed to current and prospective investors documents containing legal terms, including but not limited to Cooperative Private Placement Agreements, High Yield Private Placements, Medium Term Note Private Placements, and Private Contract Agreements.
- b. The defendants used various entities through which the fraudulent high-yield investment program was offered, including the Reserve Foundation Trust, Reserve Foundation, LLC, Smitty's Investments, LLC, Capital

Holdings, LLC, Capital Holdings, International, LLC, Monarch Capital Holdings, LLC, and Fast Track, LLC.

- c. The defendants distributed and caused to be distributed to current and prospective investors promotional materials, treatises, and other publications to create false expectations of large profits that could be earned through the fraudulent high-yield investment program.
- d. The defendants made and caused to be made communications to current and prospective investors that contained false, fraudulent and misleading statements of fact, including but not limited to the following:
  - i. That **NORMAN SCHMIDT** had a special relationship with the Federal Reserve which permitted him access to and allowed him to successfully trade financial instruments;
  - ii. That **NORMAN SCHMIDT** and **GEORGE Beros** had a history of successfully trading in financial instruments and were currently engaged in such trading;
  - iii. That **PETER A.W. MOSS** was a well known European trader with affiliations at the World Bank; and
  - iv. That **GEORGE ALAN WEED** was an authorized representative for the St. Paul insurance company and represented Superior Guaranty Insurance of Vermont and Lloyds of London.

6. The defendants used investor funds for purposes other than those represented to current and prospective investors, including but not limited to the following:
  - a. Loans or payments to the defendants;
  - b. Personal expenses of the defendants;
  - c. Acquisition of unrelated businesses and assets;
  - d. Payments to other investors; and
  - e. Payments of monthly commissions or “overrides” to members of a network of individuals, acquaintances, and insurance agents recruited by the defendants to obtain new investors in the fraudulent high-yield investment program.
7. When investors demanded the return of their funds, the defendants engaged in delaying tactics designed and intended to lull investors into inaction.

**OVERT ACTS IN FURTHERANCE OF THE CONSPIRACY**

8. In furtherance of the conspiracy, the defendants committed overt acts including but not limited to the following:
  - a. On or about September 10, 1999, **GEORGE ALAN WEED** sent an application for a commercial crime policy to St. Paul Insurance.
  - b. On or about February 14, 2000, **NORMAN SCHMIDT** executed a check in the amount of \$50,000, payable to investor Orvalee Farris, on the closed

account of the Reserve Foundation Trust at New Frontier Bank of Greeley, Colorado.

- c. On or about April 1, 2000, **NORMAN SCHMIDT** and an unindicted co-conspirator executed a contract in the name of the Reserve Foundation Trust to purchase America West Plastics and its associated real estate for \$1,650,000 from Clifford and Marian Pettee.
- d. On or about May 16, 2000, **NORMAN SCHMIDT** and an unindicted co-conspirator purchased real estate in Pitkin County, Colorado, known as the Redstone Castle Properties in the names of Peaceful Options, LLC, Tranquil Options, LLC, and Serenity Options, LLC using \$6,500,000 in funds obtained from investors in the fraudulent high-yield investment program.
- e. On or about July 26, 2002, an unindicted co-conspirator executed a lease for office space in Denver, Colorado under the name North West Group, LLC, which was used as a center for operating the fraudulent high-yield investment program.
- f. On or about December 9, 2002, **NORMAN SCHMIDT** executed a lease for office space in Independence, Ohio under the name Monarch Capital Holdings, which was used as a branch office to operate the fraudulent high-yield investment program.

All in violation of Title 18, United States Code, Section 371.

**COUNTS 2-10**

**MAIL FRAUD - 18 U.S.C. §§ 1341 and 2**

9. At various times beginning in about April, 1999, and continuing thereafter until about April, 2003, in the State and District of Colorado, and elsewhere, **NORMAN SCHMIDT, GEORGE ALAN WEED, PETER A.W. MOSS, CHARLES LEWIS, JANNICE McLAIN SCHMIDT, MICHAEL SMITH and GEORGE BEROS**, devised, intended to devise, and participated in a scheme to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, all designed to induce current and prospective investors to invest in the fraudulent high-yield investment program they promoted, and they aided, abetted, counseled, commanded, induced, procured and caused the commission of acts in furtherance of the scheme.
10. It was a part of the scheme for the defendants, **NORMAN SCHMIDT, GEORGE ALAN WEED, PETER A.W. MOSS, CHARLES LEWIS, JANNICE McLAIN SCHMIDT, MICHAEL SMITH and GEORGE BEROS**, to make and cause others to make false statements and representations about the nature of the supposed program and the high returns associated with it as alleged in paragraph 3 above, which is re-alleged and incorporated herein, to encourage investments in the fraudulent high-yield investment program.



11. It was a further part of the scheme for the defendants, **NORMAN SCHMIDT, GEORGE ALAN WEED, PETER A.W. MOSS, CHARLES LEWIS, JANNICE McLAIN SCHMIDT, MICHAEL SMITH and GEORGE Beros,** to make and cause to be made false statements and representations about the lack of risk involved with investing money in the fraudulent high-yield investment program as alleged in paragraph 4 above, which is re-alleged and incorporated herein.
12. It was a further part of the scheme for the defendants, **NORMAN SCHMIDT, GEORGE ALAN WEED, PETER A.W. MOSS, CHARLES LEWIS, JANNICE McLAIN SCHMIDT, MICHAEL SMITH and GEORGE Beros,** to use a variety of tactics to lend an appearance of legitimacy to the fraudulent high-yield investment program as alleged in paragraph 5 above, which is re-alleged and incorporated herein.
13. It was a further part of the scheme for the defendants, **NORMAN SCHMIDT, GEORGE ALAN WEED, PETER A.W. MOSS, CHARLES LEWIS, JANNICE McLAIN SCHMIDT, MICHAEL SMITH and GEORGE Beros,** to use investor funds for purposes other than those represented to current and prospective investors as alleged in paragraph 6 above, which is re-alleged and incorporated herein.

14. It was a further part of the scheme for the defendants, **NORMAN SCHMIDT, GEORGE ALAN WEED, PETER A.W. MOSS, CHARLES LEWIS, JANNICE McLAIN SCHMIDT, MICHAEL SMITH and GEORGE BEROS,** when investors demanded the return of their funds, to engage in delaying tactics as alleged in paragraph 7 above, which is re-alleged and incorporated herein.
15. On or about the date specified below for each count, in the State and District of Colorado and elsewhere, the defendant(s) named in each count, for the purpose of executing the scheme described in paragraphs 9-14 above and attempting to do so, knowingly caused the matter, described below for each count, to be delivered by the mail and private and commercial interstate carrier, according to the direction thereon.

Count	Date	Defendant(s)	Mail Matter
2	August 16, 1999	<b>NORMAN SCHMIDT</b>	U.S. Express Mail-check from Gordon Hulbert to Kelly Schnorenberg
3	February 1, 2000	<b>NORMAN SCHMIDT; GEORGE ALAN WEED</b>	U.S. Mail-Letter from Reserve Foundation Trust to Gordon Hulbert
4	January 2, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT</b>	U.S. Mail-Investment packet from Smitty's Investments, LLC to Warren Peterson

5	February 23, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT</b>	Federal Express-Letter from Norman Schmidt to Thomas Sindelar
6	August 14, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH</b>	U.S. Mail-Letter from Norman Schmidt to Wendy Delaney with contract
7	August 24, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH; GEORGE BEROS</b>	U.S. Mail-Letter from George Alan Weed to Greg Hector
8	September 13, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH; GEORGE BEROS</b>	Federal Express-check from Capital Holdings, LLC to Cecilio Jemera

9	September 24, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH; GEORGE Beros</b>	U.S. Mail-Letter from Norman Schmidt to Wendy Delaney
10	November 4, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH; GEORGE Beros</b>	U.S. Mail-Letter from Norman Schmidt to Marian Fliegner with insurance certificates

All in violation of Title 18, United States Code, Sections 1341 and 2.

**COUNTS 11-22**

**WIRE FRAUD - 18 U.S.C. §§ 1343 & 2**

16. Paragraphs 3-7 and 9-14 are re-alleged and incorporated herein by reference.
17. On or about the date specified below for each count, in the State and District of Colorado and elsewhere, the defendants named in each count, for the purpose of executing the scheme described in paragraphs 9-14, transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce writings, signs, signals, pictures and sounds as described below for each count:

Count	Date	Defendants	Writings/Signs/Signals/Pictures/Sounds
11	November 18, 1999	<b>NORMAN SCHMIDT; GEORGE ALAN WEED</b>	Telephone conference call among Norman Schmidt, Leon Harte, Boyd Brown, and Kelly Schnorenberg
12	December 31, 1999	<b>NORMAN SCHMIDT; GEORGE ALAN WEED</b>	Facsimile transmission of Cooperative Private Placement Agreement to Orvalee Farris
13	January 31, 2000	<b>NORMAN SCHMIDT; GEORGE ALAN WEED</b>	Facsimile transmission of letter from Reserve Foundation Trust to Gordon Hulbert
14	February 17, 2000	<b>NORMAN SCHMIDT; GEORGE ALAN WEED</b>	\$100,000 wire transfer from Gary Bell, agent for Develop Aldear account at Commercial Federal Bank to Reserve Foundation, LLC account at Bank One
15	March 30, 2000	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS</b>	\$100,000 wire transfer from Edward D. Jones account at Northern Trust Co. on behalf of John Hathaway to Reserve Foundation, LLC account at Bank One
16	April 7, 2000	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS</b>	\$109,770 wire transfer from Goldcoast Enterprises account at Bank of Nevis to Reserve Foundation, LLC account at Bank One
17	April 7, 2000	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS</b>	\$293,000 wire transfer from Vibrant Life Trust account at AEA Credit Union to Reserve Foundation, LLC account at Bank One

18	May 12, 2000	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS</b>	\$126,000 wire transfer from Gary Bell agent for Develop Aldear account at Commercial Federal Bank to Reserve Foundation, LLC account at Bank One
19	June 22, 2000	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS</b>	Facsimile transmission of letter and materials from Reserve Foundation Trust to Rebecca Taylor
20	August 1, 2000	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS</b>	\$50,000 wire transfer from Cynthia Lange account at US Bank to Reserve Foundation, LLC account at Bank One
21	June 28, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH</b>	Facsimile transmission of letter from Charles Lewis with copy of Gary Herbert letter to Wendy Delaney
22	February 21, 2003	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH; GEORGE BEROS</b>	\$30,000 wire transfer from Gregory Hector account at Wells Fargo to Fast Track, LLC, d/b/a/ Capital Holdings International account at Key Bank

All in violation of Title 18, United States Code, Sections 1343 and 2.

**COUNTS 23-36**

**SECURITIES FRAUD - 15 U.S.C. §§ 77q(a) & 77x and 18 U.S.C. § 2**

18. Paragraphs 3-7 and 9-14 are re-alleged and incorporated herein by reference.
19. It was a further part of the scheme for the defendants, **NORMAN SCHMIDT, GEORGE ALAN WEED, PETER A.W. MOSS, CHARLES LEWIS, JANNICE McLAIN SCHMIDT, MICHAEL SMITH** and **GEORGE BEROS**, to conceal from and omit to state to current and prospective investors material facts, including but not limited to the following:
  - a. That **NORMAN SCHMIDT** had previously been convicted of a felony, Mail Fraud, in violation of Title 18, United States Code, Section 1341, and Wire Fraud, in violation of Title 18, United States Code, Section 1343, in the United States District Court for the District of Wyoming;
  - b. That **CHARLES LEWIS** had previously been convicted of a felony, theft, in violation of Colorado Revised Statute 18-4-401, in the District Court for the 18th Judicial District of Colorado, and during times relevant to this indictment was on probation for that offense;
  - c. That, during March or April of 2000, the states of Illinois, Nebraska, and Iowa had ordered some or all of the following defendants or entities to cease and desist the same or similar investment promotion activities as described in paragraphs 3-6 above: namely, **NORMAN SCHMIDT**;

**GEORGE ALAN WEED**; the Reserve Foundation Trust, and; Smitty's Investments;

- d. That investor funds were moved at the defendants' will from the banks into which investors were told their funds would be deposited and would remain into different banks and institutions;
  - e. That investor funds were being used for purposes unrelated to the investment program about which investors were told;
  - f. That many investors associated with the Reserve Foundation Trust and the Reserve Foundation, LLC, were unable to recover their monies invested or their purported earnings.
  - g. That investor funds had not been used or traded in the manner represented to current and prospective investors;
  - h. That **NORMAN SCHMIDT, CHARLES LEWIS, and GEORGE BEROS** had previously been associated with a similar high-yield investment scheme through an entity called Golden Leaf Management, which failed to repay its investors when it ceased operations.
20. It was a further part of the scheme for the defendants, **NORMAN SCHMIDT, GEORGE ALAN WEED, PETER A.W. MOSS, CHARLES LEWIS, JANNICE McLAIN SCHMIDT, MICHAEL SMITH and GEORGE BEROS**, to offer and sell and to aid, abet, counsel, command, induce, procure, and cause the



offer and sale of securities, including but not limited to the investment contracts previously described Cooperative Private Placement Agreements, High Yield Private Placements, Medium Term Note Private Placements, and Private Contract Agreements.

21. It was a further part of the scheme for the defendants, **NORMAN SCHMIDT, GEORGE ALAN WEED, PETER A.W. MOSS, CHARLES LEWIS, JANNICE McLAIN SCHMIDT, MICHAEL SMITH and GEORGE BEROS**, to use and cause others to use the United States Mails, commercial interstate carriers, interstate wire and communication facilities, the interstate banking system, and interstate transportation facilities in connection with the purchase and sale of the securities they offered.
22. On or about the date specified below for each count, in the State and District of Colorado and elsewhere, the defendants named in each count, in the offer and sale of a security, willfully employed the scheme described in paragraphs 3-7, 9-14 and 19-21 above, by the use of the means and instrumentalities of interstate commerce and of the mails described in each count.

Count	Date	Defendants	Use of interstate commerce/mails
23	April 4, 2000	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS</b>	\$557,100 wire transfer from Goldcoast Enterprises, Inc. account at Bank of Nevis to Reserve Foundation, LLC account at Bank One

24	November 13, 2000	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS</b>	\$10,000 deposit from Gary and Jacqueline Rademacher account at Wells Fargo into Smitty's Investments, LLC account at Bank One
25	August 7, 2001	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT</b>	\$20,000 deposit from Shirley Lehr account into Smitty's account at Wells Fargo
26	December 10, 2001	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT</b>	\$25,000 deposit from Shirley Lehr account into Smitty's account at Wells Fargo
27	February 25, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT</b>	\$25,000 wire transfer from Linden Lee Markham account to Smitty's account at Wells Fargo
28	May 9, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT</b>	\$50,000 deposit from Gregory Hector account at Wells Fargo to Smitty's account at Wells Fargo

29	September 18, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH; GEORGE BEROS</b>	\$28,000 deposit from William and Brenda DellaPenna account at Bank of America into Capital Holdings, LLC account at Wells Fargo
30	October 7, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH; GEORGE BEROS</b>	\$350,000 deposit from Main Street Mortgage of Colorado, LLC account at First Bank of Boulder into Capital Holdings, LLC account at Wells Fargo
31	October 21, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH; GEORGE BEROS</b>	\$5,000 deposit from Lambros Gianos account at Bellco Credit Union into Capital Holdings, LLC account at Wells Fargo

32	October 31, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH; GEORGE BEROS</b>	\$15,000 deposit from Carol and Clarence Hendrikson account at Farmers & Merchants Bank into Capital Holdings, LLC account at Wells Fargo
33	November 4, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH; GEORGE BEROS</b>	\$35,000 deposit from Carol and Clarence Hendrikson account at Farmers & Merchants Bank into Capital Holdings, LLC account at Wells Fargo
34	November 18, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH; GEORGE BEROS</b>	\$10,000 deposit from Heaven's Trust account at US Bank into Capital Holdings, LLC account at Wells Fargo

35	December 19, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH; GEORGE Beros</b>	Deposit of cashier's check number 516020391 in the amount of \$10,000 into Capital Holdings, LLC account at Wells Fargo
36	February 19, 2003	<b>NORMAN SCHMIDT; GEORGE ALAN WEED; PETER A.W. MOSS; CHARLES LEWIS; JANNICE McLAIN SCHMIDT; MICHAEL SMITH; GEORGE Beros</b>	Interstate air travel by <b>NORMAN SCHMIDT</b> and <b>CHARLES LEWIS</b> from Denver, CO to Chicago, IL

All in violation of Title 15, United States Code, Sections 77q(a)(1) & 77x, and Title 18, United States Code, Section 2.

**COUNTS 37-40**

**MONEY LAUNDERING - 18 U.S.C. §§ 1956(a)(1)(B)(i) § 2**

23. Paragraphs 3-7 and 9-22 are re-alleged and incorporated herein by reference.
24. On or about the date specified below for each count, in the State and District of Colorado and elsewhere, the defendant(s) named in each count did knowingly conduct and knowingly aided, abetted, counseled, induced, procured and caused another to conduct a financial transaction affecting interstate and foreign

commerce, as described in each count, which involved the proceeds of a specified unlawful activity, namely, Mail Fraud, in violation of Title 18, United States Code, Section 1341, Wire Fraud, in violation of Title 18, United States Code, Section 1343, and Securities Fraud, in violation of Title 15, United States Code, Sections 77q(a)(1) and 77x, knowing that the transaction was designed in whole or in part to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of the specified unlawful activity, and while conducting such transaction knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity.

Count	Date	Defendant(s)	Financial Transaction
37	May 15, 2000	<b>NORMAN SCHMIDT</b>	\$2,164,737.03 wire transfer from Reserve Foundation, LLC account at Bank One to Aspen Title Corp. Escrow Account at Wells Fargo Bank
38	May 16, 2000	<b>NORMAN SCHMIDT; PETER A.W. MOSS</b>	\$3,500,000 wire transfer from Sun State FX, Inc. account at First Union of Florida to Aspen Title Corp. Escrow Account at Wells Fargo Bank
39	December 12, 2002	<b>NORMAN SCHMIDT; GEORGE BEROS</b>	\$7,500,000 wire transfer from Capital Holdings, LLC account at Wells Fargo Bank to First Clearing Corp. account at First Union Bank

40	March 7, 2003	<b>JANNICE McLAIN SCHMIDT</b>	\$390,000 withdrawal of funds by check #1108 payable to cash and written on Smitty's, d/b/a/ Smitty's Investments account at Western National Bank and Cherry Creek National Bank by Jannice McLain Schmidt
----	------------------	-----------------------------------	---

All in violation of Title 18, United States Code, Sections 1956(a)(1)(B)(i) and 2.

**COUNTS 41-56**

**MONEY LAUNDERING, 18 U.S.C. §§ 1957 & 2**

25. Paragraphs 3-7 and 9-22 are re-alleged and incorporated herein by reference.
26. On or about the date specified below for each count, in the State and District of Colorado and elsewhere, the defendant(s) named in each count did knowingly engage and knowingly aided and abetted, counseled, induced, procured and caused another to engage, in the monetary transactions described below, by, through and to a financial institution, affecting interstate and foreign commerce, involving criminally derived property of a value greater than \$10,000 as described below for each count, such property having been derived from a specified unlawful activity, namely Mail Fraud, in violation of Title 18, United States Code, Section 1341, Wire Fraud, in violation of Title 18, United States Code, Section 1343, and Securities Fraud, in violation of Title 15, United States Code, Sections 77q(a)(1) and 77x.

<b>Count</b>	<b>Date</b>	<b>Defendant(s)</b>	<b>Monetary Transaction</b>
41	March 23, 2000	<b>PETER A.W. MOSS</b>	\$500,000 wire transfer from Reserve Foundation, LLC account at Bank One to An American Place account at CitiBank
42	March 23, 2000	<b>NORMAN SCHMIDT</b>	Clearing of check #1012 in the amount of \$20,000 on Reserve Foundation, LLC account at Bank One payable to America West Packaging
43	April 14, 2000	<b>PETER A.W. MOSS</b>	\$6,000,000 wire transfer from Reserve Foundation, LLC account at Bank One to Sun State FX, Inc. account at First Union of Florida
44	May 16, 2000	<b>NORMAN SCHMIDT</b>	\$300,000 wire transfer from Reserve Foundation, LLC account at Bank One to EnterTech Corp. account at First National Bank
45	June 18, 2002	<b>NORMAN SCHMIDT; MICHAEL SMITH</b>	\$24,273.75 wire transfer from Smitty's account at Wells Fargo Bank account to Asset Holdings account at US Bank
46	June 19, 2002	<b>NORMAN SCHMIDT; MICHAEL SMITH</b>	\$13,881.84 wire transfer from Smitty's Wells Fargo Bank account to MJR Holdings account at US Bank
47	July 23, 2002	<b>NORMAN SCHMIDT; CHARLES LEWIS</b>	Clearing of check #1412 in the amount of \$20,000 on Smitty's account at Wells Fargo Bank payable to Miloka Holdings
48	August 5, 2002	<b>NORMAN SCHMIDT</b>	Clearing of check #1428 in the amount of \$35,000 on Smitty's account at Wells Fargo Bank, payable to Team Walker Motorsports



49	August 7, 2002	<b>NORMAN SCHMIDT; JANNICE McLAIN SCHMIDT</b>	Clearing of check #1460 in the amount of \$50,000 on Smitty's account at Wells Fargo Bank, payable to Jannice McLain
50	August 15, 2002	<b>NORMAN SCHMIDT; MICHAEL SMITH</b>	\$219,703.41 wire transfer from Capital Holdings, LLC account at Wells Fargo Bank to Northwest Group, LLC account at US Bank
51	August 15, 2002	<b>NORMAN SCHMIDT; CHARLES LEWIS</b>	Clearing of check #1037 in the amount of \$55,000 from Capital Holdings, LLC account at Wells Fargo Bank, payable to Charles Lewis
52	October 1, 2002	<b>NORMAN SCHMIDT</b>	\$25,000 wire transfer from Smitty's account at Wells Fargo Bank to Federal Recovery Group account at North Fork Bank
53	November 18, 2002	<b>NORMAN SCHMIDT; GEORGE ALAN WEED</b>	Clearing of check #1621 in the amount of \$130,000 on Smitty's account at Wells Fargo Bank, payable to Compliance Holding Co.
54	December 30, 2002	<b>NORMAN SCHMIDT; GEORGE BEROS</b>	Clearing of check #1735 in the amount of \$65,000 on Smitty's account at Wells Fargo Bank payable to Concrete Building Systems
55	February 5, 2003	<b>NORMAN SCHMIDT; GEORGE BEROS</b>	\$2,500,000 wire transfer from Capital Holdings, LLC account at Wells Fargo Bank to Monarch Capital Holdings, LLC account at Bank One
56	February 24, 2003	<b>GEORGE ALAN WEED; JANNICE McLAIN SCHMIDT</b>	Clearing of check #1008 in the amount of \$92,632.60 on Fast Track, LLC, account at Key Bank payable to Compliance Holding Co.

All in violation of Title 18, United States Code, Sections 1957 and 2.

**COUNT 57**

**Forfeiture Allegation - 18 U.S.C. §§ 981, 982, 1956, 1961 & 28 U.S.C. § 2461**

27. Upon conviction of the offenses alleged in Counts 1 through 56 of this Indictment and subject to the process for remission or mitigation for the benefit of victims as set forth in Title 18, United States Code, Sections 981 and 982, and Title 21, United States Code, Section 853, each defendant shall forfeit to the United States pursuant to Title 18, United States Code, Sections 981(a)(1)(A) & (C), 982(a)(1), 1956(c)(7), 1961(1), and Title 28, United States Code, Section 2461, any property constituting or derived from proceeds obtained directly or indirectly as a result of the said violation(s), and any property involved in said violation(s), including but not limited to the following:

**MONETARY JUDGMENT**

A sum of money equal to \$56,000,000.00 in United States currency, representing the amount of proceeds obtained as a result of or involved in the offenses as charged in Counts 1 through 56, for which the defendants are jointly and severally liable.

**REAL PROPERTY**

The Redstone Castle Properties more fully described as follows:

Redstone House Parcel - 410 Redstone Boulevard. Lots 32 and 32A, Redstone Subdivision, Pitkin County, Colorado.

Castle Parcel - 58 Redstone Boulevard, more particularly described as a parcel of land situated in the SE/4SW/4, SW/4SE/4 of Section 20, and in the NE/4NW/4, NW/4NE/4, and in the SW/4NE/4 of Section 29, all in Township 10 South, Range 88 West of the 6th P.M., Pitkin County, Colorado.

Carriage House Parcel - 58 Redstone Boulevard, sometimes known as 68 Redstone Boulevard, more particularly described as a tract of land situated in the SE/4SW/4 and in the SW/4SE/4 of Section 20, and in the NW/4NE/4, SW/4NE/4 of Section 29, all in Township 10 South, Range 88 West of the 6th P.M., Pitkin County, Colorado.

Barn Parcel - 58 Redstone Boulevard, more particularly described as a tract of land situated in the E/2SW/4 and W/2SE/4 of Section 20, Township 10 South, Range 88 West of the 6th P.M., Pitkin County, Colorado.

Easement Parcel - Access Easement, Cleveholm Manor, a/k/a Redstone Castle to Redstone Boulevard more particularly described as a 30 foot wide access easement situated in the NW/4SE/4 and in the E/2SE/4 of Section 20, Township 10 South, Range 88 West of the 6th P.M., Pitkin County, Colorado.

Water Rights - All water rights conveyed to Tranquil Options LLC by a certain Quit Claim Deed recorded May 16, 2000 in the records of Pitkin County, Colorado at reception number 443383 covering the Castle Parcel, the Carriage House Parcel, the Barn Parcel, and the Easement.

Personal Property - All personal property located outside and within the parcels described above.

### BANK ACCOUNTS

The following bank accounts into which proceeds of offenses charged in Counts 1 through 56 were deposited and which are held, controlled or claimed by one or more of the defendants herein:

- a. Account # 4961979616 at Bank of America, Sacramento, California in the name of Bella Vista Associates, Inc.;

- b. Account #s 122400724 and 4961999638 at Bank of America Nevada, Las Vegas, Nevada in the name of S.I.S. Associates, Inc.;
- c. Account # 1115000176309 at Bank One Chicago, Illinois in the name of Heritage America;
- d. Account # 1115002153225 at Bank One, NA, Chicago, Illinois in the name of Cambridge Ventures Ltd. and/or Cambridge Enterprises, LLC;
- e. Account # 3403596915 at First Bank of Colorado, Lakewood, Colorado;
- f. Account # 760640008073 at Key Bank, Denver, Colorado in the name of Capital Holdings, Norman Schmidt, and/or Jannice M. McLain;
- g. Account # 153592246877 at United States Bank, NA, Seattle, Washington in the name of Northwest Group, LLC;
- h. Account # 1036586123387 and/or account # 153553949451 at U.S. Bank, Denver, Colorado in the name of Capital Holdings International LLC;
- i. Account # 153592309097 at U.S. Bank, Denver, Colorado in the name of Capital Holdings, LLC;
- j. Account # 150870368563 at U.S. Bank, Littleton, Colorado in the name of Jannice M. McLain;
- k. Account # 103671427591 and/or account # 103673347649 at U.S. Bank, Littleton, Colorado in the name of Jannice M. McLain and/or Charles F. Lewis;

- l. Account # 153553955870 at U.S. Bank, Denver, Colorado in the name of Miloka Holdings;
- m. Account # 153592247131, and/or account # 153592247115 at U.S. Bank, Spokane, Washington in the name of National Marketing Solutions Trust;
- n. Account # 194312307839 and/or account # 153590366313 at U.S. Bank, Spokane, Washington Northwest Group in the name of Capital Holdings, and/or Michael D. Smith;
- o. Account # 153591423196 at U.S. Bank, Arvada, Colorado in the name of Players Trust;
- p. Account # 195834130 at U.S. Bank, Benton, Illinois in the name of Alan Weed;
- q. Account # 70030686 at Bank of Cherry Creek, Denver, Colorado in the name of Fast Track LLC, dba Smitty's Investment;
- r. Account # 9385557104 at Wells Fargo Bank West NA, Denver, Colorado in the name of Trig Domson;
- s. Account # 350282025112 at Key Bank, Cleveland, Ohio in the name of George Beros;
- t. Account # 350281003821 at Key Bank, Cleveland, Ohio in the name of Concrete Building/George Beros;

- u. Account # 1004451769 at Wells Fargo Bank, Las Vegas in the name of S.I.S./VGB Associates/Valdemar Bough;
- v. Account # 1004451850 at Wells Fargo Bank, Las Vegas in the name of S.I.S./VGB Associates/Valdemar Bough;
- w. Account # 59957524 at Wells Fargo Bank/Wells Fargo Investment in the name of Monarch Capital/Norman Schmidt/George Beros;
- x. Account # 60J102230 at Bank One Securities in the name of Monarch Capital/Norman Schmidt/George Beros; and
- y. Account #s 2030721, 2030221, 1531901, 1531801, 1531811, 1531831 at Global Bank Antigua in the name of Cambridge/Regency/Michael Vallone.
- z. U.S. Bank, Spokane, Washington accounts including but not limited to:

ACCOUNT NAME	ACCOUNT NUMBER	AMOUNT
Artios	1-535-9230-9162	\$11,891.20
AV & M / NORM SCHMIDT	1-535-9230-9238	All
AZ Estates	1-535-9118-4285	All
BKS Holdings (B&K Holdings)	1-535-9230-9436	\$66,454.47
BKS Holdings/ Asset Holdings Trust/Goulet	1-535-9142-3063	All
C & R (holdings)	1-535-5395-5904	All
Cascade Evergreen Trust / Schlabach	1-535-9230-9071	All
Country Living Estates / Paula Galley	1-535-5394-9303	All
EJELMS Trust / Norm Schmidt	1-535-9230-9246	All
G I Secure	1-535-9119-1900	All
Gold Star Trust/T. Goulet	1-535-9036-6065	All
IBEX Holdings	1-535-9230-9485	All
J & C Resources	1-535-5395-5219	All

J & M Holdings	1-535-9230-9477	All
KML Holdings	1-535-9236-7400	All
Land Management Trust/Tammie Goulet	1-535-9142-3055	All
Lewis, Michael S.	1-036-7328-4859	All
Logon Thompson Trust	1-535-5395-5375	All
M & E Resources	1-535-9240-0375	All
M & S Investments Trust / John Schlabach	1-535-9119-1975	All
M.O. Whitman Trust	1-535-9119-1876	All
Morning Light	1-535-9142-3261	All
Nature Conservation	1-535-9230-9121	All
New Security	1-535-9036-6412	All
NJS Holdings	1-535-9240-0300	All
R & JC Estate Trust / Tammie Goulet	1-535-9119-1991	All
R.O. Moriah Trust	1-535-9119-1835	All
South Water Land	1-535-9118-4129	All
Summit Ventures	1-535-9142-3188	All
Sunrise	1-535-8114-6638	\$2,000
T & M Estates / John Schlabach	1-535-9118-4723	All
T & M Estates/ John Schlabach	1-535-9177-8300	All
TE & L	1-535-9230-9048	All
TrJ holdings	1-535-9230-9030	All
V & P Holdings	1-535-5395-5284	All
VC & I Trust / Schlabach	1-535-9230-9220	All
Web Addiction / Tammy Goulet	1-535-9142-3113	All

### PERSONAL PROPERTY

Assets of Smitty's Motorsports, including but not limited to the following:

- a. Chevrolet Show Truck # CS141Z630840;
- b. Freightliner Truck # 1FVAAGAS23LK44972;
- c. Classic Truck Trailer VIN # 10WRT44363W037421;

- d. Kenworth Truck VIN # 1XKWDB9XXVR745954;
- e. Featherlight Truck Trailer # 4FGL053281C040991;
- f. Shop Tools and Racing Equipment;
- g. Chevrolet Winston Truck Series, Body # 25534321;
- h. NASCAR vehicle # 4-1L-4L;
- i. NASCAR vehicle # FSWS 0171;
- j. NASCAR vehicle # 4-14;
- k. NASCAR vehicle # RHE 7011061;
- l. NASCAR vehicle # RHE 1098551;
- m. NASCAR vehicle # RHE 298462;
- n. NASCAR vehicle # LRP 10990674; and
- o. NASCAR vehicle # E369RHE 598491.

#### SUBSTITUTE ASSETS

28. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:
- a. cannot be located upon the exercise of due diligence;
  - b. has been transferred or sold to, or deposited with, a third party;
  - c. has been substantially diminished in value; or
  - d. has been commingled with other property which cannot be divided without difficulty;

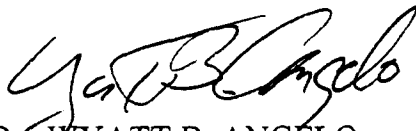


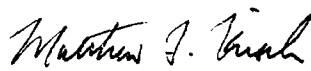
it is the intent of the United States, pursuant to Title 18, United States Code, Sections 981, 982, 1956, and 1961, and Title 28, United States Code, Section 2461 incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.

A TRUE BILL

  
FOREPERSON

JOHN W. SUTHERS  
United States Attorney

  
By: WYATT B. ANGELO  
Assistant U.S. Attorney

  
By: MATTHEW T. KIRSCH  
Assistant U.S. Attorney

DATE: March 9, 2004

DEFENDANT: NORMAN SCHMIDT

AGE:

ADDRESS:

OFFENSE: **Count 1:** 18 U.S.C. § 371  
Conspiracy  
**Counts 2-10:** 18 U.S.C. § 1341 and 2  
Mail Fraud; Aiding and Abetting  
**Counts 11-22:** 18 U.S.C. § 1343 and 2  
Wire Fraud; Aiding and Abetting  
**Counts 23-36:** 15 U.S.C. § 77q(a) 77x and 2  
Securities Fraud; Aiding and Abetting  
**Counts 37-39, 42, 44-55:** 18 U.S.C. §§ 1956, 1957, 2  
Money Laundering; Aiding and Abetting  
**Count 57:** 18 U.S.C. §§ 981, 982, 1956, 1961; 28 U.S.C. § 2461  
Forfeiture Allegation

LOCATION OF OFFENSE: Colorado and elsewhere

PENALTY: **Count 1:**  
NMT 5 years imprisonment; \$250,000 fine, or both; NMT 3 years supervised release; \$100 Special assessment fee  
**Counts 2-22:**  
NMT 5 years imprisonment (before July 30, 2002); NMT 20 years imprisonment (after July 30, 2002); \$1,000,000 fine or both; NMT 3 years supervised release; \$100 Special assessment fee  
**Counts 23-36:**  
NMT 5 years imprisonment, NMT \$10,000 or both; NMT 3 years supervised release; \$100 Special assessment fee  
**Counts 37-39:**  
NMT 20 years imprisonment; \$500,000 fine or twice the value of the property involved in the transaction which ever is greater, or both; NMT 3 years supervised release; \$100 Special assessment fee  
**Counts 42, 44-55:**  
NMT 20 years imprisonment; \$250,000 or twice the value of the property involved in the transaction, or both; NMT 3 years supervised release; \$100 Special assessment fee  
**Count 57:**  
Forfeiture of the property listed in the Indictment

AGENT: Stephanie Hahn, FBI  
FBI

AUTHORIZED BY: Wyatt B. Angelo  
Assistant U.S. Attorney

Matthew T. Kirsch  
Assistant U.S. Attorney

ESTIMATED TIME OF TRIAL:

       five days or less

  X   over five days

       other

THE GOVERNMENT

  X   will seek detention in this case

       will not seek detention in this case

The statutory presumption of detention **is not** applicable to this defendant.

OCDETF CASE:        Yes   X   No

DATE: March 9, 2004

DEFENDANT:     GEORGE ALAN WEED

AGE:

ADDRESS:

OFFENSE:           **Count 1:** 18 U.S.C. § 371  
                          Conspiracy  
                          **Counts 3-10:** 18 U.S.C. § 1341 and 2  
                          Mail Fraud; Aiding and Abetting  
                          **Counts 11-22:** 18 U.S.C. § 1343 and 2  
                          Wire Fraud; Aiding and Abetting  
                          **Counts 23-36:** 15 U.S.C. § 77q(a) 77x and 2  
                          Securities Fraud; Aiding and Abetting  
                          **Counts 53-56:** 18 U.S.C. § 1957, 2  
                          Money Laundering; Aiding and Abetting  
                          **Count 57:** 18 U.S.C. §§ 981, 982, 1956, 1961; 28 U.S.C. § 2461  
                          Forfeiture Allegation

LOCATION OF OFFENSE: Colorado and elsewhere

PENALTY:           **Count 1:**  
                          NMT 5 years imprisonment; \$250,000 fine, or both; NMT 3 years supervised release;  
                          \$100 Special assessment fee  
                          **Counts 3-22:**  
                          NMT 5 years imprisonment (before July 30, 2002); NMT 20 years imprisonment  
                          (after July 30, 2002); \$1,000,000 fine or both; NMT 3 years supervised release; \$100  
                          Special assessment fee  
                          **Counts 23-36:**  
                          NMT 5 years imprisonment, NMT \$10,000 or both; NMT 3 years supervised release;  
                          \$100 Special assessment fee  
                          **Counts 53-56:**  
                          NMT 20 years imprisonment; \$250,000 or twice the value of the property involved  
                          in the transaction, or both; NMT 3 years supervised release; \$100 Special assessment  
                          fee  
                          **Count 57:**  
                          Forfeiture of the property listed in the Indictment

AGENT:             Stephanie Hahn, FBI  
                          FBI

AUTHORIZED BY: Wyatt B. Angelo  
Assistant U.S. Attorney

Matthew T. Kirsch  
Assistant U.S. Attorney

ESTIMATED TIME OF TRIAL:

       five days or less

  X   over five days

       other

THE GOVERNMENT

  X   will seek detention in this case

       will not seek detention in this case

The statutory presumption of detention **is** or **is not** applicable to this defendant.

OCDETF CASE:             Yes        X   No

DATE: March 9, 2004

DEFENDANT: PETER A.W. MOSS

AGE:

ADDRESS:

OFFENSE: **Count 1:** 18 U.S.C. § 371  
Conspiracy  
**Counts 4-10:** 18 U.S.C. § 1341 and 2  
Mail Fraud; Aiding and Abetting  
**Counts 15-22:** 18 U.S.C. § 1343 and 2  
Wire Fraud; Aiding and Abetting  
**Counts 23-36:** 15 U.S.C. § 77q(a) 77x and 2  
Securities Fraud; Aiding and Abetting  
**Counts 38, 41-43:** 18 U.S.C. §§ 1956, 1957, 2  
Money Laundering; Aiding and Abetting  
**Count 57:** 18 U.S.C. §§ 981, 982, 1956, 1961; 28 U.S.C. § 2461  
Forfeiture Allegation

LOCATION OF OFFENSE: Colorado and elsewhere

PENALTY: **Count 1:**  
NMT 5 years imprisonment; \$250,000 fine, or both; NMT 3 years supervised release; \$100 Special assessment fee  
**Counts 4-22:**  
NMT 5 years imprisonment (before July 30, 2002); NMT 20 years imprisonment (after July 30, 2002); \$1,000,000 fine or both; NMT 3 years supervised release; \$100 Special assessment fee  
**Counts 23-36:**  
NMT 5 years imprisonment, NMT \$10,000 or both; NMT 3 years supervised release; \$100 Special assessment fee  
**Counts 38:**  
NMT 20 years imprisonment; \$500,000 fine or twice the value of the property involved in the transaction which ever is greater, or both; NMT 3 years supervised release; \$100 Special assessment fee  
**Counts 41, 43:**  
NMT 20 years imprisonment; \$250,000 or twice the value of the property involved in the transaction, or both; NMT 3 years supervised release; \$100 Special assessment fee  
**Count 57:**  
Forfeiture of the property listed in the Indictment

AGENT: Stephanie Hahn, FBI  
FBI

AUTHORIZED BY: Wyatt B. Angelo  
Assistant U.S. Attorney

Matthew T. Kirsch  
Assistant U.S. Attorney

ESTIMATED TIME OF TRIAL:

       five days or less

  X   over five days

       other

THE GOVERNMENT

  X   will seek detention in this case

       will not seek detention in this case

The statutory presumption of detention **is not** applicable to this defendant.

OCDEF CASE:        Yes   X   No

DATE: March 9, 2004

DEFENDANT: CHARLES LEWIS

AGE:

ADDRESS:

OFFENSE: **Count 1:** 18 U.S.C. § 371  
Conspiracy  
**Counts 4-10:** 18 U.S.C. § 1341 and 2  
Mail Fraud; Aiding and Abetting  
**Counts 21-22:** 18 U.S.C. § 1343 and 2  
Wire Fraud; Aiding and Abetting  
**Counts 25-36:** 15 U.S.C. § 77q(a) 77x and 2  
Securities Fraud; Aiding and Abetting  
**Counts 47:** 18 U.S.C. § 1957, 2  
Money Laundering; Aiding and Abetting  
**Count 57:** 18 U.S.C. §§ 981, 982, 1956, 1961; 28 U.S.C. § 2461  
Forfeiture Allegation

LOCATION OF OFFENSE: Colorado and elsewhere

PENALTY: **Count 1:**  
NMT 5 years imprisonment; \$250,000 fine, or both; NMT 3 years supervised release;  
\$100 Special assessment fee  
**Counts 4-10, 21-22:**  
NMT 5 years imprisonment (before July 30, 2002); NMT 20 years imprisonment  
(after July 30, 2002); \$1,000,000 fine or both; NMT 3 years supervised release; \$100  
Special assessment fee  
**Counts 25-36:**  
NMT 5 years imprisonment, NMT \$10,000 or both; NMT 3 years supervised release;  
\$100 Special assessment fee  
**Counts 47:**  
NMT 20 years imprisonment; \$250,000 or twice the value of the property involved  
in the transaction, or both; NMT 3 years supervised release; \$100 Special assessment  
fee  
**Count 57:**  
Forfeiture of the property listed in the Indictment

AGENT: Stephanie Hahn, FBI  
FBI



AUTHORIZED BY: Wyatt B. Angelo  
Assistant U.S. Attorney

Matthew T. Kirsch  
Assistant U.S. Attorney

ESTIMATED TIME OF TRIAL:

☐ five days or less

☒ over five days

☐ other

THE GOVERNMENT

☒ will seek detention in this case

☐ will not seek detention in this case

The statutory presumption of detention **is not** applicable to this defendant.

OCDETf CASE: ☐ Yes ☒ No

DATE: March 9, 2004

DEFENDANT: JANNICE McLAIN SCHMIDT

AGE:

ADDRESS:

OFFENSE: **Count 1:** 18 U.S.C. § 371  
Conspiracy  
**Counts 4-10:** 18 U.S.C. § 1341 and 2  
Mail Fraud; Aiding and Abetting  
**Counts 21-22:** 18 U.S.C. § 1343 and 2  
Wire Fraud; Aiding and Abetting  
**Counts 25-36:** 15 U.S.C. § 77q(a) 77x and 2  
Securities Fraud; Aiding and Abetting  
**Counts 40, 49, 56:** 18 U.S.C. §§ 1956, 1957, 2  
Money Laundering; Aiding and Abetting  
**Count 57:** 18 U.S.C. §§ 981, 982, 1956, 1961; 28 U.S.C. § 2461  
Forfeiture Allegation

LOCATION OF OFFENSE: Colorado and elsewhere

PENALTY: **Count 1:**  
NMT 5 years imprisonment; \$250,000 fine, or both; NMT 3 years supervised release;  
\$100 Special assessment fee  
**Counts 4-10, 21-22:**  
NMT 5 years imprisonment (before July 30, 2002); NMT 20 years imprisonment  
(after July 30, 2002); \$1,000,000 fine, or both; NMT 3 years supervised release; \$100  
Special assessment fee  
**Counts 25-36:**  
NMT 5 years imprisonment; NMT \$10,000 fine, or both; NMT 3 years supervised  
release; \$100 Special assessment fee  
**Counts 40:**  
NMT 20 years imprisonment; \$500,000 fine or twice the value of the property  
involved in the transaction, whichever is greater; or both; NMT 3 years supervised  
release; \$100 Special assessment fee  
**Counts 49, 56:**  
NMT 10 years imprisonment; \$250,000 or twice the value of the property involved  
in the transaction, or both; NMT 3 years supervised release; \$100 Special assessment  
fee  
**Count 57:**  
Forfeiture of the property listed in the Indictment

AUTHORIZED BY: Wyatt B. Angelo  
Assistant U.S. Attorney

Matthew T. Kirsch  
Assistant U.S. Attorney

ESTIMATED TIME OF TRIAL:

       five days or less

  X   over five days

       other

THE GOVERNMENT

  X   will seek detention in this case

       will not seek detention in this case

The statutory presumption of detention is **not** applicable to this defendant.

OCDETF CASE:        Yes   X   No

DATE: March 9, 2004

DEFENDANT: MICHAEL SMITH

AGE:

ADDRESS:

OFFENSE: **Count 1:** 18 U.S.C. § 371  
Conspiracy  
**Counts 6-10:** 18 U.S.C. § 1341 and 2  
Mail Fraud; Aiding and Abetting  
**Counts 21-22:** 18 U.S.C. § 1343 and 2  
Wire Fraud; Aiding and Abetting  
**Counts 29-36:** 15 U.S.C. § 77q(a) 77x and 2  
Securities Fraud; Aiding and Abetting  
**Counts 45-46, 50:** 18 U.S.C. § 1957, 2  
Money Laundering; Aiding and Abetting  
**Count 57:** 18 U.S.C. §§ 981, 982, 1956, 1961; 28 U.S.C. § 2461  
Forfeiture Allegation

LOCATION OF OFFENSE: Colorado and elsewhere

PENALTY: **Count 1:**  
NMT 5 years imprisonment; \$250,000 fine, or both; NMT 3 years supervised release; \$100 Special assessment fee  
**Counts 6-10, 21-22:**  
NMT 5 years imprisonment (before July 30, 2002); NMT 20 years imprisonment (after July 30, 2002); \$1,000,000 fine, or both; NMT 3 years supervised release; \$100 Special assessment fee  
**Counts 29-36:**  
NMT 5 years imprisonment, NMT \$10,000 fine, or both; NMT 3 years supervised release; \$100 Special assessment fee  
**Counts 45-46, 50:**  
NMT 10 years imprisonment; \$250,000 fine, or twice the value of the property involved in the transaction, or both; NMT 3 years supervised release; \$100 Special assessment fee  
**Count 57:**  
Forfeiture of the property listed in the Indictment

AGENT: Stephanie Hahn, FBI  
FBI

AUTHORIZED BY: Wyatt B. Angelo  
Assistant U.S. Attorney

Matthew T. Kirsch  
Assistant U.S. Attorney

ESTIMATED TIME OF TRIAL:

       five days or less

  X   over five days

       other

THE GOVERNMENT

  X   will seek detention in this case

       will not seek detention in this case

The statutory presumption of detention is **not** applicable to this defendant.

OCDETF CASE:             Yes        X   No

DATE: March 9, 2004

DEFENDANT: GEORGE BEROS

AGE:

ADDRESS:

OFFENSE:           **Count 1:** 18 U.S.C. § 371  
Conspiracy  
**Counts 7-10:** 18 U.S.C. § 1341 and 2  
Mail Fraud; Aiding and Abetting  
**Counts 22:** 18 U.S.C. § 1343 and 2  
Wire Fraud; Aiding and Abetting  
**Counts 29-36:** 15 U.S.C. § 77q(a) 77x and 2  
Securities Fraud; Aiding and Abetting  
**Counts 39, 54-55:** 18 U.S.C. §§ 1956, 1957, 2  
Money Laundering; Aiding and Abetting  
**Count 57:** 18 U.S.C. §§ 981, 982, 1956, 1961; 28 U.S.C. § 2461  
Forfeiture Allegation

LOCATION OF OFFENSE: Colorado and elsewhere

PENALTY:           **Count 1:**  
NMT 5 years imprisonment; \$250,000 fine, or both; NMT 3 years supervised release;  
\$100 Special assessment fee  
**Counts 7-10, 22:**  
NMT 5 years imprisonment (before July 30, 2002); NMT 20 years imprisonment  
(after July 30, 2002); \$1,000,000 fine, or both; NMT 3 years supervised release; \$100  
Special assessment fee  
**Counts 29-36:**  
NMT 5 years imprisonment, NMT \$10,000 fine, or both; NMT 3 years supervised  
release; \$100 Special assessment fee  
**Counts 39:**  
NMT 20 years imprisonment; \$500,000 fine or twice the value of the property  
involved in the transaction which ever is greater, or both; NMT 3 years supervised  
release; \$100 Special assessment fee  
**Counts 54-55:**  
NMT 10 years imprisonment; \$250,000 or twice the value of the property involved  
in the transaction, or both; NMT 3 years supervised release; \$100 Special assessment  
fee  
**Count 57:**  
Forfeiture of the property listed in the Indictment

AGENT: Stephanie Hahn, FBI  
FBI

AUTHORIZED BY: Wyatt B. Angelo  
Assistant U.S. Attorney

Matthew T. Kirsch  
Assistant U.S. Attorney

ESTIMATED TIME OF TRIAL:

       five days or less

  X   over five days

       other

THE GOVERNMENT

  X   will seek detention in this case

       will not seek detention in this case

The statutory presumption of detention **is not** applicable to this defendant.

OCDETF CASE:        Yes   X   No

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLORADO

FILED  
UNITED STATES DISTRICT COURT  
DISTRICT OF COLORADO

Criminal Case No. **04-CR-103**

MAR 10 2004

UNITED STATES OF AMERICA,

Plaintiff.

v.

1. NORMAN SCHMIDT,
2. GEORGE ALAN WEED,
3. PETER A.W. MOSS,
4. CHARLES LEWIS,
5. JANNICE McLAIN SCHMIDT,
6. MICHAEL SMITH,
7. GEORGE BEROS,

Defendants.

---

NOTICE OF RELATED CASE

---

The United States of America, by and through the undersigned Assistant United States Attorney, pursuant to provisions of the Local Rules of Practice, hereby advises the Court and the Clerk of the Court, that the above-captioned case is related to *United States v. Redstone Castle Properties*, Case Number 03-RB-0385; *United States v. Certain Bank Accounts*, Case Number 03-RB-0403(CBS); *United States v. Various Bank Accounts*, Case Number 03-RB-0799(CBS); *United States v. Assets of Smitty's Motorsports*, Case Number 03-RB-0749; *Securities and Exchange Commission v. Capital Holdings, LLC*, Case Number 03-RB-0923, all of which are assigned to the Honorable Robert E. Blackburn.



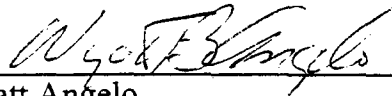
WHEREFORE, premises considered, the government moves for assignment of the instant matter to the Honorable Robert E. Blackburn.

Dated this 10<sup>th</sup> day of March 2004.

Respectfully submitted,

JOHN W. SUTHERS  
United States Attorney

By:

  
Wyatt Angelo  
Assistant U.S. Attorney  
400 Rood Avenue, Suite 220  
Grand Junction, CO 81501  
970 241-3843

# United States District Court

FOR THE DISTRICT OF COLORADO

UNITED STATES OF AMERICA

v.

NORMAN SCHMIDT

## WARRANT FOR ARREST

CASE NUMBER:

and any Authorized United States Officer

01 - CR - 103 RB

YOU ARE HEREBY COMMANDED to arrest Norman Schmidt

Name

and bring him or her forthwith to the nearest magistrate to answer a(n)

☒ Indictment ☐ Information ☐ Complaint ☐ Order of court ☐ Violation Notice ☐ Probation Violation Petition

charging him/her with (brief description of offense)

Conspiracy; Mail Fraud; Wire Fraud; Securities Fraud; Money Laundering

in violation of Title 18 United States Code, Section(s) 371; 1341; 1343; 1956; 1957; 981; 982; 1956; 1961  
15 U.S.C. § 77q(a) 77x and 28 U.S.C. § 2461

**GREGORY C. LANGHAM**  
Clerk, U. S. District Court

Name of Issuing Officer

Signature of Issuing Officer

Title of Issuing Officer

Date and Location

3-10-04 Denver, CO

BAIL FIXED AT \$

by

Name of Judicial Officer

### RETURN

This warrant was received and executed with the arrest of the above-named defendant at

DATE RECEIVED

NAME AND TITLE OF ARRESTING OFFICER

SIGNATURE OF ARRESTING OFFICER

DATE OF ARREST

# United States District Court

FOR THE DISTRICT OF COLORADO

UNITED STATES OF AMERICA

v.

GEORGE ALAN WEED

## WARRANT FOR ARREST

CASE NUMBER:

and any Authorized United States Officer

04 - CR - 103 RB

YOU ARE HEREBY COMMANDED to arrest George Alan Weed

Name

and bring him or her forthwith to the nearest magistrate to answer a(n)

☒ Indictment ☐ Information ☐ Complaint ☐ Order of court ☐ Violation Notice ☐ Probation Violation Petition

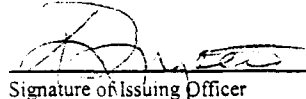
charging him/her with (brief description of offense)

Conspiracy; Mail Fraud; Wire Fraud; Securities Fraud; Money Laundering

in violation of Title 18 United States Code, Section(s) 371; 1341; 1343; 1956; 1957; 981; 982; 1956; 1961  
15 U.S.C. § 77q(a) 77x and 28 U.S.C. § 2461

GREGORY C. LANGHAM  
Clerk, U. S. District Court

Name of Issuing Officer

  
Signature of Issuing Officer

Title of Issuing Officer

3-10-04 Denver, CO  
Date and Location

BAIL FIXED AT \$ \_\_\_\_\_

by \_\_\_\_\_  
Name of Judicial Officer

### RETURN

This warrant was received and executed with the arrest of the above-named defendant at \_\_\_\_\_

DATE RECEIVED	NAME AND TITLE OF ARRESTING OFFICER	SIGNATURE OF ARRESTING OFFICER
DATE OF ARREST		

**United States District Court**

FOR THE DISTRICT OF COLORADO

**UNITED STATES OF AMERICA**

v.

**PETER A.W. MOSS**

**WARRANT FOR ARREST**

CASE NUMBER:

and any Authorized United States Officer

**04-CR-103RB**

YOU ARE HEREBY COMMANDED to arrest Peter A.W. Moss

Name

and bring him or her forthwith to the nearest magistrate to answer a(n)

☒ Indictment ☐ Information ☐ Complaint ☐ Order of court ☐ Violation Notice ☐ Probation Violation Petition

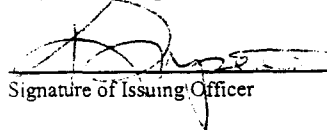
charging him/her with (brief description of offense)

**Conspiracy; Mail Fraud; Wire Fraud; Securities Fraud; Money Laundering**

in violation of Title 18 United States Code, Sections 371; 1341; 1343; 1956; 1957; 981; 982; 1956; 1961  
15 U.S.C. § 77q(a) 77x and 28 U.S.C. § 2461

**GREGORY C. LANGHAM**  
Clerk, U. S. District Court

Name of Issuing Officer

  
Signature of Issuing Officer

Title of Issuing Officer

3-10-20 Denver, CO  
Date and Location

BAIL FIXED AT \$ \_\_\_\_\_

by \_\_\_\_\_  
Name of Judicial Officer

**RETURN**

This warrant was received and executed with the arrest of the above-named defendant at \_\_\_\_\_

DATE RECEIVED	NAME AND TITLE OF ARRESTING OFFICER	SIGNATURE OF ARRESTING OFFICER
DATE OF ARREST		

**United States District Court**

FOR THE DISTRICT OF COLORADO

**UNITED STATES OF AMERICA**

**v.**

**CHARLES LEWIS**

**WARRANT FOR ARREST**

CASE NUMBER:

and any Authorized United States Officer

**04-CR-103RB**

YOU ARE HEREBY COMMANDED to arrest Charles Lewis

Name

and bring him or her forthwith to the nearest magistrate to answer a(n)

☒ Indictment ☐ Information ☐ Complaint ☐ Order of court ☐ Violation Notice ☐ Probation Violation Petition

charging him/her with (brief description of offense)

Conspiracy; Mail Fraud; Wire Fraud; Securities Fraud; Money Laundering

in violation of Title 18 United States Code, Section(s) 371; 1341; 1956; 1957; 981; 982; 1961

15 U.S.C. § 77q(a) 77x and 28 U.S.C. § 2461

**GREGORY C. LANGHAM**  
Clerk, U. S. District Court

Name of Issuing Officer

Title of Issuing Officer

Signature of Issuing Officer

Date and Location

3-10-04 Denver, CO

BAIL FIXED AT \$

by

Name of Judicial Officer

**RETURN**

This warrant was received and executed with the arrest of the above-named defendant at

DATE RECEIVED	NAME AND TITLE OF ARRESTING OFFICER	SIGNATURE OF ARRESTING OFFICER
DATE OF ARREST		

**United States District Court**

FOR THE DISTRICT OF COLORADO

**UNITED STATES OF AMERICA**

**v.**

**JANNICE McLAIN SCHMIDT**

**WARRANT FOR ARREST**

CASE NUMBER:

and any Authorized United States Officer

**04 - CR - 103 RB**

YOU ARE HEREBY COMMANDED to arrest Jannice McLain Schmidt

Name

and bring him or her forthwith to the nearest magistrate to answer a(n)

☒ Indictment ☐ Information ☐ Complaint ☐ Order of court ☐ Violation Notice ☐ Probation Violation Petition

charging him/her with (brief description of offense)

**Conspiracy; Mail Fraud; Wire Fraud; Securities Fraud; Money Laundering**

in violation of Title 18 United States Code, Section(s) 371; 1341; 1343; 1956; 1957; 981; 982; 1956; 1961

15 U.S.C. § 77q(a) 77x and 28 U.S.C. § 2461

**GREGORY C. LANGHAM**

**Clerk, U. S. District Court**

Name of Issuing Officer

Signature of Issuing Officer

Title of Issuing Officer

3-10-04 Denver, CO

Date and Location

BAIL FIXED AT \$ \_\_\_\_\_

by \_\_\_\_\_  
Name of Judicial Officer

**RETURN**

This warrant was received and executed with the arrest of the above-named defendant at \_\_\_\_\_

DATE RECEIVED	NAME AND TITLE OF ARRESTING OFFICER	SIGNATURE OF ARRESTING OFFICER
DATE OF ARREST		

**United States District Court**

FOR THE DISTRICT OF COLORADO

**UNITED STATES OF AMERICA**

**v.**

**MICHAEL SMITH**

**WARRANT FOR ARREST**

CASE NUMBER:

and any Authorized United States Officer

**04-CR-103LB**

YOU ARE HEREBY COMMANDED to arrest Michael Smith

Name

and bring him or her forthwith to the nearest magistrate to answer a(n)

☒ Indictment ☐ Information ☐ Complaint ☐ Order of court ☐ Violation Notice ☐ Probation Violation Petition

charging him/her with (brief description of offense)

Conspiracy; Mail Fraud; Wire Fraud; Securities Fraud; Money Laundering

in violation of Title 18 United States Code, Section(s) 371; 1341; 1343; 1956; 1957; 981; 982; 1961  
15 U.S.C. § 77q(a) 77x and 28 U.S.C. § 2461

GREGORY C. LANGHAM  
Clerk, U. S. District Court

Name of Issuing Officer

Signature of Issuing Officer

Title of Issuing Officer

3-10-04 Denver, CO  
Date and Location

BAIL FIXED AT \$

by

Name of Judicial Officer

**RETURN**

This warrant was received and executed with the arrest of the above-named defendant at

DATE RECEIVED	NAME AND TITLE OF ARRESTING OFFICER	SIGNATURE OF ARRESTING OFFICER
DATE OF ARREST		

# United States District Court

FOR THE DISTRICT OF COLORADO

UNITED STATES OF AMERICA

v.

GEORGE BEROS

## WARRANT FOR ARREST

CASE NUMBER:

and any Authorized United States Officer

04 - CR - 103 RB

YOU ARE HEREBY COMMANDED to arrest George Beros

Name

and bring him or her forthwith to the nearest magistrate to answer a(n)

☒ Indictment ☐ Information ☐ Complaint ☐ Order of court ☐ Violation Notice ☐ Probation Violation Petition

charging him/her with (brief description of offense)

Conspiracy; Mail Fraud; Wire Fraud; Securities Fraud; Money Laundering

in violation of Title 18 United States Code, Section(s) 371; 1341; 1343; 1956; 1957; 981; 982; 1956; 1961  
15 U.S.C. § 77q(a) 77x and 28 U.S.C. § 2461

GREGORY C. LANGHAM  
United States District Court

Name of Issuing Officer

Title of Issuing Officer

Signature of Issuing Officer

Date and Location

BAIL FIXED AT \$

by

Name of Judicial Officer

### RETURN

This warrant was received and executed with the arrest of the above-named defendant at

DATE RECEIVED	NAME AND TITLE OF ARRESTING OFFICER	SIGNATURE OF ARRESTING OFFICER
DATE OF ARREST		